VZCZCXRO4086 OO RUEHDBU RUEHLH RUEHPW DE RUEHIL #7548/01 2470738 ZNY SSSSS ZZH O 040738Z SEP 06 FM AMEMBASSY ISLAMABAD TO RUEHC/SECSTATE WASHDC IMMEDIATE 9573 INFO RUEHTA/AMEMBASSY ALMATY PRIORITY 9581 RUEHAH/AMEMBASSY ASHGABAT PRIORITY 1079 RUEHEK/AMEMBASSY BISHKEK PRIORITY 3785 RUEHLM/AMEMBASSY COLOMBO PRIORITY 0891 RUEHKA/AMEMBASSY DHAKA PRIORITY 1619 RUEHDBU/AMEMBASSY DUSHANBE PRIORITY RUEHBUL/AMEMBASSY KABUL PRIORITY 6103 RUEHKT/AMEMBASSY KATHMANDU PRIORITY 7016 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9197 RUEHNT/AMEMBASSY TASHKENT PRIORITY 1763 RUEHKP/AMCONSUL KARACHI PRIORITY 2627 RUEHLH/AMCONSUL LAHORE PRIORITY 9990 RUEHPW/AMCONSUL PESHAWAR PRIORITY 7981 RHEHNSC/NSC WASHDC PRIORITY RUEKJCS/SECDEF WASHINGTON DC PRIORITY RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY S E C R E T SECTION 01 OF 03 ISLAMABAD 017548 SIPDIS STPDTS NOFORN E.O. 12958: DECL: 09/03/2016

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SUBJECT: BALOCHISTAN (7): FINDING A SOLUTION

REF: A. ISLAMABAD 14349

¶B. ISLAMABAD 16269

¶C. ISLAMABAD 16944

¶D. ISLAMABAD 16962

¶E. ISLAMABAD 16987

¶F. ISLAMABAD 16994 ¶G. IIR 6 873 0120 96

¶H. IIR 6 873 0140 93

¶I. IIR 6 873 0104 93 ¶J. IIR 6 873 0142 92

¶K. ISLAMABAD 17546

¶L. ISLAMABAD 17547

Classified By: Charge d'Affaires Peter W. Bodde, Reasons 1.4 (b) and (d)

- 11. (C) Summary: To bring peace to the restive province of Balochistan, Islamabad must overcome pervasive distrust and skepticism toward the central government and its proposed development projects by ensuring the people of the province -- Baloch and Pashtun alike -- are the first and main beneficiaries of development. To accomplish this, Islamabad must improve education in the province so that the youth of Balochistan will be able to eventually take advantage of the employment opportunities development offers. Long-term government financial schemes that would help soothe provincial hostility toward Islamabad remain bogged down in inter-provincial rivalries. End summary. (Note: This cable, the last in post's Balochistan Primer series, was researched before the death of Nawab Akbar Khan Bugti on August 26 (Ref C). End note.)
- 12. (U) Quetta journalists and NGO representatives in August were adamant that the dispute between Balochistan and Islamabad goes beyond the three big tribal sardars (leaders), citing widespread alienation in Balochistan -- among both Baloch and Pashtuns. Palwasha Jalalzai, a Pashtun working for the NGO SEHER, said that youngsters across the province are "really angry...they have had a long history of having nothing." The main issue is the lack of job opportunities, which stems, in part, from the poor educational institutions in the province. Despite some grumbling that "it is better to live in the stone age than to stay in Pakistan," Jalazai said

that youth support for the Baloch and Pashtun nationalist movements is not enthusiastic. Balochistan's population already sees jobs in the government's development projects (e.g., the Gwadar port expansion), going to outsiders, leading to fears that a flood of new (and better qualified) Punjabi and Sindhi job-seekers are ready will pour into Balochistan.

Parliament Tries to Appease

¶3. (C) Many Baloch and Pashtun nationalists see increased autonomy and control over natural resources as the only means to get a fair deal from Islamabad, because "so far, no federal government has ever satisfied the Baloch people," Senator Shahid Hassan Bugti, Jahmhoori Watan Party. He noted that "East Pakistan became Bangladesh because of suppression, not because of autonomy." After the Bugti insurgency erupted in early 2005, a parliamentary committee was formed to resolve the dispute. The committee's November 2005 report recommended steps to (a) increase economic opportunity in Balochistan, (b) invest in social infrastructure, (c) limit settler influence in elections, and (d) increase provincial autonomy and control over gas revenues. Dr. Hayee Baloch, Balochistan National Movement, told poloff that the parliamentary committee recommendations were "not serious," as illustrated by the GOP's minimal implementation effort.

A Bigger Slice of the Federal Pie

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14. (C) A central issue between the federal government and the smaller provinces has been the distribution of federal funds based solely on provincial population. In its final recommendations, the parliamentary committee on Balochistan stated that "level of development and degree of backwardness should be foremost among the criteria" for distributing federal funding. Since 2002, Islamabad has proposed amending the distribution formula to take in other factors, such as provincial backwardness/poverty. So far, the four provinces have not agreed on a formula: while Balochistan and the NWFP have excepted a multiple-factor formula that included "backwardness/poverty," the dominant Punjab province wanted population to be the sole criterion; Sindh, in a unique twist, sought to include revenue collection as part of the equation, because so much of the GOP's revenues are generated in Karachi. Despite the backing of PML President Chaudhry Shujaat, a Punjabi, for including "backwardness/poverty" in the mix, the distribution formula has yet to be modified.

No Negotiations with Nawab Bugti

- 15. (S) In contrast to Islamabad's efforts to broker a new finance deal with the provinces, the GOP was unwilling to negotiate with Nawab Bugti, both the linchpin of armed Baloch opposition to the GOP but also a leader who had been bought off by previous governments. Both President Musharraf and Prime Minister Shaukat Aziz have said that the government will not allow sardars like the late Nawab Bugti to hinder development or stop the government's effort to extend its writ over Balochistan.
- 19. (C) Many Embassy contacts noted the advanced ages of the three rebel sardars, arguing that Islamabad could wait for them to die of natural causes, while whittling down tribal power so their successors inherit weakened fighting forces. The GOP could simultaneously exploit the anger among the common people of Balochistan over the insurgents destruction of provincial infrastructure. When the militants blow up electric pylons or gas pipelines, people in Balochistan

suffer along with people in Punjab. The sardars have often been derided by those outside their tribes for failing to develop the province when they held political power. Rahila Durrani, PML, asserted that Nawab Bugti and Sardar Attaullah "did nothing when they had the chance."

No Baloch in the Army

110. (C) In a country in which the Army is an avenue to social advancement and power, Baloch are chronically under represented in its ranks. Many potential Baloch recruits do not meet the military's minimum education requirements. Others countered that Baloch do not join because they do not want to become "servants of Punjab." According to DAO reporting (reftels), the Pakistan Army has tried since the early 1990s to redress its ethnic imbalance, but had difficulty recruiting Baloch with at least an eighth grade education (a lower standard than applied to other recruits).

Talibanization Doubtful

111. (C) Poloff's interlocutors were nearly unanimous in doubting that "Talibanization" could take root in Balochistan. The most vulnerable demographic, as in other parts of the Muslim world, is the province's alienated, unemployed youth, who might be attracted to the appeal of religious extremism. Even so, post's interlocutors believe that there is a limit to religious political influence in the province, noting that the JUI has been a major political

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party in the province since the early 1970s, but today holds only a quarter of the seats in the provincial assembly.

Comment

112. (C) To ease provincial tension and implement its development plans smoothly, Islamabad must overcome decades of mistrust. Baloch mistrust of Islamabad runs very, very deep: contacts in Quetta told poloff to expect very little celebrating on August 14 -- Pakistan's Independence Day -- because the Baloch view the date as "the day that all our troubles started." Almost all opposition political leaders related stories of how Punjabis or Sindhis were given preference in government hiring in Balochistan, and of the government using "the agencies" -- shorthand for intelligence services such as Military Intelligence and Inter-Services Intelligence -- to pressure them. To overcome Baloch skepticism, the government must bolster the province's education system, so that local people can compete for the jobs. GOP leaders are already proceeding along this path, separating recalcitrant sardars from the general population by promising education, development and employment. End comment. BODDE